

Message Text

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ACTION MMO-02

INFO OCT-01 EUR-12 EA-10 ISO-00 AID-05 CIAE-00 COME-00
EB-08 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00
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FM AMEMBASSY VIENTIANE
TO SECSTATE WASHDC 8472
INFO AMEMBASSY BANGKOK
AMEMBASSY PARIS
AMCONSUL HONG KONG
CINCPAC

C O N F I D E N T I A L VIENTIANE 1227

CINCPAC FOR POLAD

E.O. 11652: XGDS-4
PETAGS:ECRP ENRG EALR EAID ETRD CH LA VM
SUBJECT:CERP 4250: PETROLEUM SSTATISTICS FOR LAOS (JANUARY-JULY 77)

REF: A VIENTIANE 0525, B 76 VIENTIANE 2858, C 76 VIENTIANE 1669

1. THE FOLLOWING FIGURES PROVIDED IN ACCORDANCE WITH
CERP 4250A-D FOR THE PERIOD JANUARY TO JULY 1977 WERE
COMPILED BY THE ONLY COMMERCIAL SUPPLIER OF POL PRO-
DUCTS TO THE LPDR, SHELL OIL LAOS. RELIABLE SOURCE
ESTIMATED THAT SHELL DATA ACCOUNTED FOR ABOUT 75 PER-
CENT OF THE TOTAL LPDR POL IMPORTS, STOCKS AND
CONSUMPTION, AND THAT ABOUT FIVE TO TEN PERCENT OF THE
POL IN THE NORTH AND NORTHWEST REGION OF THE LPDR CAME
FROM THE PRC, AND ABOUT FIFTEEN TO TWENTY PERCENT OF POL
IN THE EASTERN AND SOUTHERN PART OF LAOS CAME FROM THE
SRV. EXACT FIGURES ON VIETNAMESE AND CHINESE POL
EXPORTS TO LAOS WERE KEPT SECRET BY THE LAO GOVERNMENT.
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SOURCE SAID THAT THE LPDR HAD PAID \$3.8 MILLION DOLLARS
TO SHELL FROM JANUARY TO JULY 1977 AND ESTIMATED THAT
IT WOULD SPEND ABOUT \$7 MILLION DURING CALENDAR YEAR
1977 FOR FUEL FROM SHELL ALONE. SOURCE ALSO ESTI-
MATED THAT THE LPDR WOULD PAY ABOUT \$2 MILLION FOR POL
TO THE SRV, BRINGING ITS TOTAL FOREIGN EXCHANGE
EXPENDITURE ON FUEL IN 1977 TO \$9 MILLION.

2. FROM JANUARY TO JULY 1977 SHELL DID NOT PROVIDE POL PURCHASED BY SOVIET OR PRC AID TO THE LPDR AS IT HAD IN THE PAST (REF A,B,C). ACCORDING TO SOURCE, THE PRC HAS NOT YET PROVIDED POL AID IT PROMISED THE LPDR IN JAN FEBRUARY, 1976, REPORTED REF B. PRC EMBASSY OFFICIALS REPORTEDLY TOLD SECRETARY OF STATE IN THE MINISTRY OF FINANCE, BOUTSABONG SOUVANNAVONG, THAT SHELL HAD HELD UP THE POL TRANSFER. SHELL CLAIMED THAT IT WAS STILL WILLING TO PROVIDE THE LPDR WITH POL FROM SINGAPORE BUT WAS ONLY WAITING FOR THE PRC TO SUPPLY SHELL HONG KONG WITH AN EQUAL AMOUNT OF FUEL AS AGREED. SOURCE SPECULATED THAT THE PRC WAS RELUCTANT TO GIVE THE LAO FUEL AID AS IT HAS PROMISED BECAUSE THE CHINESE POL INDUSTRY WAS DAMAGED DURING THE EARTHQUAKE.

3. LAO MINISTRY OF PUBLIC WORKS OFFICIAL RESPONSIBLE FOR POL IMPORTS TOLD SOURCE THAT THE LPDR BOUGHT FUEL FROM THE SRV IN DOLLARS. LAO OFFICIAL REPORTEDLY SAID THAT THE SRV FUEL WAS MORE EXPENSIVE THAN SHELL PRODUCTS. HE SAID THAT THE LAO WOULD PREFER TO BUY FUEL FROM SHELL TO SUPPLY ITS EASTERN AND SOUTHERN REGIONS IF THE THAI WOULD OPEN THE MUKDAHAN BORDER CROSSING TO POL IMPORTS. HE REPORTEDLY SAID THAT THE ONLY ADVANTAGE OF BUYING POL FROM THE SRV IS THAT THE VIETNAMESE EXTEND CREDIT TERMS WHICH ALLOW THE LPDR,WHOSE FOREIGN

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EXCHANGE INCOME IS IRREGULAR, TO PAYFOR FUEL WHEN IT IS MOST CONVENIENT.

4. LAO OFFICIAL SAID THAT FUEL IS TRANSPORTED TO SAVANNAKHET FROM THE SRV ALONG ROUTE NINE. HE SAID THE ROAD IS NARROW BUT GOOD BY LAO STANDARDS. HE ADDED THAT THE LAO CANNOT DEPEND ON BRINGING FUEL IN FROM THE SRV ON A REGULAR BASIS BECAUSE THEY DO NOT HAVE ENOUGH TRUCKS.

5. SAME WESTERN SOURCE SAID THAT THE LPDR DOES NOT STORE FUEL IN SHELL OIL LAOS' EMPTY DEPOT IN THAKHET AT THE PRESENT TIME. HE SPECULATED THAT, UNLESS THE LAO HAVE BUILT STORAGE TANKS UNKNOWN TO HIM, THIS WOULD INDICATE THAT THE PIPELINE FROM VIETNAM TO THAKHET IS NOT NOW IN OPERATION.

6. CERP 4250-A: PETROLEUM IMPORTS BY PRODUCT CATEGORY AND COUNTRY OF ORIGIN (REPORTED IN TONS):
COUNTRY OF ORIGIN: SINGAPORE (NOTE: SINGAPORE IS NOT COUNTRY FROM WHICH CRUDE OIL ORIGINATED BUT RATHER

COUNTRY FROM WHICH PRODUCT WAS PURCHASED. ALL OF SHELL
OIL LAOS IMPORTS ARE FROM SINGAPORE.)

CRUDE OIL	9
MOTOR GASOLINE	5,800
JET FUEL AND KEROSENE	2,800
DISTILLATE FUEL OIL	7,300
FUEL OIL RESIDUAL	0
AVIATION GASOLINE	1,200

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7. CERP4250-B: PETROLEUM EXPORTS. LAOS DOES NOT
EXPORT ANY POL PRODUCTS.

8. CERP 4250-C: PETROLEUM STOCKS AND INTERNATIONAL
BUNKERS (REPORTED IN TONS).

CRUDE OIL	0
MOTOR GASOLINE	450
JET FUEL AND KEROSENE	500
DISTILLATE FUEL OIL	380
FUEL OIL RESIDUAL	0
AVIATION GASOLINE	250

9. CERP 4)40-D: CONSUMPTION OF REFINED PRODUCTS (IN
TONS)

CRUDE OIL	GM
MOTOR GASOLINE	5,800
JET FUEL AND KEROSENE	2,800
DISTILLATE FUEL OIL	7,300
FUEL OIL RESIDUAL	0
AVIATION GASOLINE	1,200

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